

MINUTES

**MONTANA SENATE
58th LEGISLATURE - REGULAR SESSION**

COMMITTEE ON FINANCE AND CLAIMS

Call to Order: By **CHAIRMAN TOM ZOOK**, on March 10, 2003 at 8:10
A.M., in Room 317 Capitol.

ROLL CALL

Members Present:

Sen. Tom Zook, Chairman (R)
Sen. Bill Tash, Vice Chairman (R)
Sen. Keith Bales (R)
Sen. Gregory D. Barkus (R)
Sen. Edward Butcher (R)
Sen. Mike Cooney (D)
Sen. John Esp (R)
Sen. Royal Johnson (R)
Sen. Rick Laible (R)
Sen. Bea McCarthy (D)
Sen. Linda Nelson (D)
Sen. Trudi Schmidt (D)
Sen. Debbie Shea (D)
Sen. Corey Stapleton (R)
Sen. Emily Stonington (D)
Sen. Jon Tester (D)
Sen. Joseph (Joe) Tropila (D)

Members Excused: Sen. John Cobb (R)
Sen. Bob Keenan (R)

Members Absent: None.

Staff Present: Prudence Gildroy, Secretary
Taryn Purdy, Legislative Branch

Please Note. These are summary minutes. Testimony and discussion
are paraphrased and condensed.

Committee Business Summary:

Hearing & Date Posted: HB 152, 2/22/2003; HB 679,
2/28/2003

Executive Action:

HEARING ON HB 152

Sponsor: REP. PAT WAGMAN, HD 26, Livingston

Proponents: Charles Val, IUEC Local 19
Rodney Driver, IUEC Local 19
Jacqueline Lenmark, American Insurance Association
Darrell Holzer, AFL-CIO

Opponents: None

Opening Statement by Sponsor:

REP. PAT WAGMAN, HD 26, Livingston, opened on HB 597, a bill to regulate elevator contractors and mechanics and require them to be licensed. He presented photographs of elevator equipment. **EXHIBIT (fcs50a01)** Currently, inspections of elevators are required once a year for passenger elevators and freight elevators are every three years. He advised the elevator outside the House chamber is designated a freight elevator because it is heavy enough to carry freight. There is no current licensing requirements for those who build elevators or perform maintenance and repair. He thought it odd that since the early seventies the state thought it important to conduct ongoing inspections of passenger elevators but have not been concerned with whether they're being built and maintained by contractors and mechanics who possess the highly professional skills necessary to insure the public safety. HB 597, if adopted, will provide that necessary assurance. A certified accreditation elevator mechanic training program will be available. Upon successful completion of the training program, graduates will qualify for licensing. He indicated proponents can provide information on the apprenticeship program. He believed the requirements of the bill can be implemented with minimal cost and maximum effect. They did not wish to burden the department with additional administrative work, but rather diminish administrative time and increase compliance. The bill made it through the House without amendments.

Proponents' Testimony:

Charles Val, IUEC Local 19, spoke in favor of the bill. He indicated a growing concern with the number of elevator accidents resulting in death and injury. He referred to a packet of information. **EXHIBIT (fcs50a02)** He advised the bill will provide for safety and prevent injury.

Rodney Driver, IUEC Local 19, read from written testimony.
EXHIBIT (fcs50a03)

Jacqueline Lenmark, American Insurance Association, stood in support of HB 597. It is a strong policy of the association to support measures that will increase safety. Increased safety is not only in the public interest but also has a positive effect on the availability and affordability of the insurance offered in the state, both general liability and workers compensation. They reviewed the bill and it is well drafted.

Darrell Holzer, AFL-CIO, testified in support of HB 597. He discussed issues that came up when the bill was discussed in the **House Business and Labor Committee**. The bill is not a union bill but is about public safety. He encouraged the committee to review the national report included in their packets. Licenses are required to cut hair and apply artificial fingernails in this state and it seemed reasonable require those working on elevators be qualified to do so. The bill does not apply to the contractor building a building that might have an elevator in it. It will apply to the contractor installing and maintaining the elevator.

Opponents' Testimony: None.

Informational Testimony:

Jim Brown, Department of Labor and Industry, advised the elevator contractor licensing program would be located in the business and occupational licensing bureau. The bureau is the entity responsible for inspecting elevators in the state.

Questions from Committee Members and Responses:

SEN. RICK LAIBLE asked **Mr. Brown** if his department currently does all the inspections of elevators.

Mr. Brown said that is correct.

SEN. LAIBLE asked if inspections are on an annual or biannual basis and if they were going to add to the bureau's workload by passing the bill.

Mr. Brown indicated there would be no additional workload for inspection. They inspect passenger elevators every year and freight elevators every three years.

SEN. LAIBLE asked about certification to repair elevators.

Brenda St. Clair, Department of Labor and Industry, advised the bill requires a mechanics license in order to get certified. In order to receive a mechanics license, the requirement is to complete an apprenticeship program and a certifying examination.

They have researched the type of examination and there are national companies that have certification exams.

SEN. LAIBLE asked how many mechanics are in Montana currently and if they would have to take written tests plus show experience.

Ms. St. Clair said that is correct. There will be 45 individuals that will qualify for licensing under the bill.

SEN. LAIBLE asked if there is someone doing elevator repair work currently but hasn't been certified, how they get certification. He wondered if the bureau runs programs for training and certification or if it is handled through existing companies.

Ms. St. Clair advised the apprenticeship bureau provides certification. She did not think there is a grandfather clause, but there is a clause in the bill that says if you are licensed in another state you can get licensed here.

SEN. LAIBLE asked if someone wanted to learn and become certified, if they would come to the state and take a course. He asked if the state provides the training for the certification.

Ms. St. Clair believed that is correct. She indicated **Mark Maki** could answer questions in regard to apprenticeship.

SEN. BEA MCCARTHY asked what happened to a similar bill in 1997. She wondered what the difference is between the two bills.

Ms. Lenmark confessed she did not recall the bill. This bill is different, more complete and comprehensive than any other bill she reviewed on the subject. The bill is well drafted and that is the reason she encouraged their support.

SEN. MCCARTHY asked if the bill will take care of the issue.

Ms. Lenmark advised yes.

SEN. LINDA NELSON asked about the elevator inspectors and if they are licensed.

Mr. Brown stated they had three inspectors who inspect all the passenger and freight elevators throughout the state. He indicated they are not licensed in Montana as elevator installers.

SEN. NELSON asked if the three inspectors attempt to inspect all of the elevators in the state.

Mr. Brown asserted they do inspect all the elevators in the state.

SEN. NELSON asked how often they get around.

Mr. Brown indicated they do all passenger elevators and escalators annually and freight elevators once every three years.

SEN. NELSON asked what the bill is doing that is not being done now.

Mr. Brown advised an annual inspection insures that at the time the inspector was there, everything was operating correctly and the elevator was safe. Something mechanical or electronically or otherwise could happen after the inspector leaves. The bill insures those making the repairs are certified and knowledgeable.

SEN. NELSON asked if inspectors go to Plentywood to inspect the hospital once a year.

Mr. Brown confirmed that is correct.

SEN. MIKE COONEY asked about the history of the issue.

Mr. Holzer stated the bill in 1999 was specific to requiring inspections of freight elevators. Prior to passage of that bill there was no requirement in Montana for any inspections of any sort relative to freight elevators. They tried to get a one year requirement and ended up settling on once every three years.

SEN. ROYAL JOHNSON asked how long would it take for an apprentice to get licensed.

Mr. Holzer advised traditionally the programs are four or five years. They can perform work during the training process but must be supervised. Individuals working in the industry for a significant period of time would need to take the written exam and get the certification.

SEN. JOHNSON surmised with five companies in the state there are limitations on the number of apprentices working at any one time. Only 45 people would be entitled to a mechanics license. He wondered how many apprentices they could work with.

Mr. Holzer indicated that varies from organization to organization. They usually develop a journeyman to apprentice ratio to keep a balance. **{Tape: 1; Side: B}** He thought there is the potential there will be more than four contractors in Montana.

SEN. JOHNSON advised he wanted to make sure the program is not so long you couldn't get anybody new in the program very quickly. He thought if apprentices can work under supervision, more than one ought to be trained per mechanic if that's possible. He asked **Mr. Brown** how many elevators are inspected each year.

Mr. Brown stated last year, they did a total of 2023 inspections of existing and new installations. There are 1559 passenger elevators, 287 handicapped lifts, 114 freight elevators, 13 escalators, 14 dumbwaiters, 16 material lifts, and 62 new elevators.

SEN. JOHNSON asked what it costs to inspect an elevator and if it has to do with size.

Mr. Brown indicated it didn't have to do with size and the cost is \$100.

SEN. JOHNSON asked about the definition of dumbwaiter. He asked if they are in the bill or exempt someplace in the bill. He wondered if the dumbwaiter in his house would require inspection.

Mr. Brown advised dumbwaiters in private homes are exempt.

SEN. JOHNSON asked in what section of the bill dumbwaiters are exempt.

REP. WAGMAN advised dumbwaiters were discussed and are a misnomer. It is a non-technical term for a technical device. In hospitals they fill dumbwaiters with laundry or food from a cafeteria. They are a small freight elevator designed to carry articles instead of people. A dumbwaiter in a home is a pulley device.

SEN. JOHNSON asked if a pulley device in the home is an exempt item.

CHAIRMAN ZOOK advised Section 9 mentions authorized exemptions but doesn't answer his question.

Bill Jellison, Department of Labor, advised dumbwaiters are not exempt from inspections if they are in public buildings. The definition in the bill only regards the largest size they may be. They are exempt in single family dwellings under the current statutes in Title 50, Chapter 60-701, 702, 703.

SEN. LAIBLE asked if the bill passes if it would include all freight elevators within the state including grain elevators, car lifts etc.

Mr. Brown advised grain elevators are exempted in statute.

SEN. LAIBLE asked if a feed store had an elevator they had been using for 50 years that doesn't get inspected, if it isn't exempted in existing statutes.

Mr. Holzer advised if the equipment is not specifically in the definitions section the licensing requirements will not apply.

SEN. LAIBLE asked if all public elevators fall under the bill as opposed to private.

Mr. Holzer said that is correct.

SEN. TRUDY SCHMIDT asked if an inspector found something wrong with an elevator, they would have to call someone licensed and certified.

Mr. Brown said that is correct.

SEN. SCHMIDT asked about fatalities on elevators in Montana.

Mr. Brown indicated he is not familiar with any fatalities in Montana.

Mr. Val advised the fatalities and injuries were on freight elevators before the freight elevator bill passed in 1999.

SEN. SCHMIDT asked if there are accidents, are they to be reported.

Mr. Val noted if they are Labor and Industry accidents they are reported but an injury on a private elevator are frequently not reported and there are no provisions in the bill to make a report.

SEN. SCHMIDT asked if the businesses listed on the sheet would be reported.

Mr. Val answered yes.

SEN. MCCARTHY asked about the definition of moving chair which is common in houses and churches. She did not see it listed in the bill.

Bernie Jacobs, Attorney, Department of Labor and Industry, advised new Section three, paragraph two defines a conveyance. A

conveyance means, "an elevator, escalator, dumbwaiter, automobile parking elevator, moving loft or other elevating device."

SEN. MCCARTHY asked if it would be in other.

Mr. Jacobs indicated it would be.

SEN. GREG BARKUS asked about the hospital elevator in Plentywood and if they would be required to get a certified mechanic from Billings or the closest certified mechanic in case of a breakdown. He wondered how long the hospital could conceivably be without elevator service.

Mr. Brown indicated if the elevator broke down the closest competent repair person would be in Billings rather than a local mechanic.

Mr. Driver asked how the hospital does it now. If they are already waiting for a mechanic from Billings, they are accustomed to that style. Most companies, if there is not someone based in the area, have a service man in the area every other week unless the hospital calls ahead of time. The company he works for responds to calls twenty-four hours a day, seven days a week, 365 days a year.

SEN. BARKUS advised the bill would forbid somebody not currently licensed to work on the elevator to actually fix something that might have been a simple electrical problem.

Mr. Driver asked what if it's not.

SEN. BARKUS stated if the hospital in Plentywood has an elevator down, they are required to fly somebody up roughly costing thousands of dollars when in fact an electrician in Plentywood could contact Kone and be walked through the procedure. His concern is the cost to small towns and requiring someone from one of the five firms to fix their elevators.

Mr. Driver suspected liability could be a concern.

SEN. BARKUS indicated the bill says the owner is liable.

Mr. Driver thought if he helped someone over the phone, he would be liable.

SEN. JOHN ESP asked how many deaths from elevator accidents occurred in Montana in the last year.

Mr. Brown said he is not aware of any.

SEN. ESP asked how many in the last five years.

Mr. Brown indicated he is not aware of any.

Mr. Val replied to his knowledge there was one death in the last five years and it is in their packet.

SEN. ESP asked if it was a passenger on an elevator.

Mr. Val indicated it was a person trying to use a freight elevator.

SEN. ESP asked how many deaths in the last twenty years in the state of Montana.

Mr. Val said he didn't know for sure. They got information by going through newspaper clippings.

SEN. ESP asked if it is possible the minimum standard is less rigorous than the standard they are using now.

Mr. Brown supposed it is possible. The licensing bureau does not have the expertise to individually develop examinations; they have to utilize exams developed by experts associated with the industry.

SEN. ESP asked about four to five year apprenticeship program.

Mr. Maki contended the length of the apprenticeship program is based on industry standards and is used uniformly throughout the country.

SEN. ESP asked **Mr. Driver** how long his apprenticeship program was when he started in the trade.

Mr. Driver answered he started in 1983 in a four and one-half year apprenticeship program.

SEN. ESP asked if it was a formal apprenticeship program.

Mr. Driver indicated it was a correspondence program with some classroom time.

SEN. ESP asked if any of the five major installers in Montana are using unqualified or unsupervised personnel.

Mr. Driver advised he didn't think any of those folks are.

SEN. ED BUTCHER asked about statistics.

CHAIRMAN ZOOK advised the information is in the packets.

SEN. BUTCHER asked if there is a correlation between licensed people and unlicensed people with deaths from elevator accidents.

Mr. Val advised it is not broken down as to whether people were licensed or not. Some were elevator contractors and some were people who worked in Billings. The conclusion of the report is that if qualified people are installing and maintaining the elevators, the ratio could go down considerably.

SEN. BUTCHER advised they hadn't established the elevators were installed or maintained by unqualified people.

Mr. Val indicated the 44 people were not addressed in the bill.

SEN. BUTCHER said it was important that they could not show statistics that elevators that caused fatalities were being maintained by unqualified people. He presumed they were all qualified since most states have such strong restrictions.

CHAIRMAN ZOOK advised airplanes are kept in mechanical condition by certified licensed mechanics, but things happen. He felt whether they were certified or not isn't the question currently.

SEN. JOE TROPILA asked how elevator inspectors are qualified.

Mr. Brown advised all elevator inspectors are retired from the elevator industry. Typically they spent their time working outside of Montana and have 35 years of experience.

Closing by Sponsor:

REP. WAGMAN closed on the bill. Currently, elevators are inspected statewide. It is a technical trade and companies typically will recruit an elevator mechanic from an aircraft carrier or a mechanical engineer. They are dealing with systems of hydraulics, mechanics, and electronics and tying all those together along with counter weights and a pulley system. They can't just use one background. **{Tape: 2; Side: A}** Currently, he assumed elevators at Glasgow are being maintained by certified mechanics. Those mechanics work one-on-one in an apprenticeship relationship with a trade mechanic for four or five years. Those employers require those folks be certified nationally before they can go to work out on their own. There are about 45 of those in the state and they would come into the **Department of Labor** and show they have the certification level to be licensed. Under the current law, a fly-by-night organization could come into the state. These are public conveyances and there is no reporting

system. A vast majority of reported accidents are people working on elevators because those are reported by OSHA. He asked the committee to consider public safety in their decision.

HEARING ON HB 679

Sponsor: REP. DON STEINBEISSER, HD 100, Sidney

Proponents: John Cadby, Montana Banker's Association

Opponents:

Opening Statement by Sponsor:

REP. DON STEINBEISSER, HD 100, Sidney, opened on HB 679, a bill that would exempt health plans for non-profit associations from underwriting disclosures. It would amend Section 33-19-308 of the Montana Code. He read from written testimony.

EXHIBIT (fcs50a04)

Proponents' Testimony:

John Cadby, Montana Banker's Association, passed out testimony from Jim Edwards, Certified Health Consultant. **EXHIBIT (fcs50a05)** Mr. Edwards is a certified medical insurance specialist. His testimony summarizes the same arguments the Montana Banker's Association would use in support of the bill. He is a former banker at the Stockmen's Bank in Miles City and now services 13,000 Montanans through group health insurance plans. A small business standing alone risks volatility versus standing together with other like businesses. The more risk can be spread, the less ups and downs. A business that pays \$500,000 in premiums but only \$250,000 in claims can have the benefit of premium holidays. Group health plans provide stability. The bill is not a silver bullet, it does not stop members from shopping. Under current law, if under 50 employees are involved, they have to provide the competing insurance agent a health statement for each employee. Anybody with less than 50 employees can't get their claim experience aggregated from years past. Any employer with over 50 employees can. Associations with health plans are typically employers with less than 50 people. They know standing alone, even if claim experience is good for years, that someday something will happen and they will get a lumping on the rate. Bigger employers are usually self-insured. Every trade association has fully-insured group health plans. Their board of trustees considered self-insuring their group. A consultant warned them not to go self-insured until they have at least \$3.5 million in the bank or 50% of their gross annual premium because employers can't be trusted to stay with the trade association.

If there is a high rate increase, they may bail out. Without sufficient reserves, there would be trouble. The bill tells participating businesses to stay with associations through good and bad times and whenever they sign a bank they stress that. He was shocked when a bank with 500 employees wanted to get in the trust. The bank said they wanted to be fully insured. They looked at being self-insured and thought it too big a risk. They were willing to sign a contract and they would not reveal claim experience for three years. They discovered they can't contract for that because it is illegal under current law. He encouraged support for the bill.

Steve Turkiewicz, Montana Auditor's Association, testified the association began their health insurance trust in 1949 and have been running continuously since then. Currently they cover over 95 employers and close to 2000 families throughout the state of Montana. They urged concurrence on the bill because of guaranteed issue. Prior to the health care reform legislation passed in the mid-nineties, any association could reject a member who comes to them because their premiums were not high enough. Now, they go through the underwriting process and are accepted. The second issue is premium setting. They pool their premiums. In 2002, they paid over \$6 million in claims on behalf on Montana families that work for auto dealers. Eight of those people had claims in excess of \$1.3 million. One individual's claims from last year were \$265,000 and others were over \$130,000. He described an employer trying to go to the market place with six or eight employees and the burden of a \$265,000 claim. The trust calculates premiums based on the entire claims experience each year. In 2002, it was based on \$6 million. The premium for coverage is the same for every employer and every employee and their family whether they live in Billings, Big Timber, Scobey, Missoula, Kalispell or around the state or whatever size of employer. This is because of the capacity and philosophy of pooling all the claims to calculate the premiums for everybody on a statewide basis. They are not asking to preclude someone from going shopping, they are asking that the competing insurance agent has to collect health statements from the employees and their families. The underwriter from the competing company will have to make an actuarial decision on whether to accept those folks and at what premium.

Opponents' Testimony: None.

Informational Testimony: None.

Questions from Committee Members and Responses:

SEN. COONEY asked about the difference between a non-profit association and a non-profit trade association and the definition.

Mr. Turkiewicz advised the categories of non-profits are under the 501-C designation in the IRS codes. The **MADA** is a 501-C6, which is a trade association. They created a trust which is a 501-C9 designation for the purposes only of providing health insurance. Some entities might be 501-C3's that are not trade associations, but are non-profit organizations that have a trust. Unions have a different designation as non profit and would set up a trust with a different designation.

SEN. COONEY asked if the bill would encompass all non-profit organizations.

Mr. Turkiewicz answered yes, if they have a trust.

SEN. COONEY asked if they would have to have a trust.

Mr. Turkiewicz advised they usually have a trust if they set up a health insurance plan. An individual employer would get a stand-alone plan. Under the bill, the association gets the information and can use it to calculate their premiums but if one of their members asks for their claims rate experience from the last year, they would not have to provide it.

SEN. JOHNSON asked if they figure their continuing year's premium on their last year's claims.

Mr. Turkiewicz advised that is one of the major components they use. They use last year's claims, the insurance carrier comes to them and uses what they call medical trend and they argue with them about administrative costs for the ensuing year.

SEN. JOHNSON asked if there was a year like the last couple of years, if the trend is up. If they had a year without the adverse effect, he asked if it would go down the next year.

Mr. Turkiewicz advised they had all those experiences in the fourteen years he had been there. Typically, in a good year they would go for a smaller increase but would utilize premium holidays. In other years, where they have an adverse election, it is an agonizing process because they realize the impact it has on families. They try to balance projected losses by stabilizing with reserves. If the insurance company says they need a fifteen percent increase, they will do a ten percent and retro a five percent. They try to keep the premium low to the family members.

SEN. JOHNSON asked if they have an actuarial number they have to keep up--do they have a reserve in excess of that actuary.

Mr. Turkiewicz advised the actual number is established by how much they have to have for run out. They maintain a reserve in excess of that. Within the requirements of the IRS code, they don't try to gain too much of a reserve because that is the employees' and families' money. They try to balance having enough for the run out and enough in case they get a twenty to thirty percent increase.

SEN. JOHNSON asked if any increases were the result of investments of the reserve.

Mr. Turkiewicz stated the trust reserves are invested as conservatively as possible which is in a money market because they didn't want to risk jeopardizing the money.

{Tape: 2; Side: B}

SEN. STONINGTON asked where non-profit association is defined.

Mr. Turkiewicz advised in the insurance title there is provision that defines association plans as a specific entity under the health insurance codes that are enforced by the insurance commissioner.

SEN. STONINGTON asked him to find it for them.

SEN. LAIBLE asked if the auto dealers is a non-profit association.

Mr. Turkiewicz answered yes.

SEN. LAIBLE asked if they wanted the language so the association would not be required to give information regarding the actuarial and give more flexibility for bringing in new people.

Mr. Turkiewicz answered the business has changed dramatically. If they have a new group come in, they don't ask for the previous claims run, they use health statements.

SEN. LAIBLE asked if an employee has a heart problem if they are excluded.

Mr. Turkiewicz advised they cannot exclude anybody. That is a privilege of being in the association under statute. If the employer leaves, there is one more step they have to take.

SEN. LAIBLE asked what that step might be.

Mr. Turkiewicz indicated an insurance agent would have health forms filled out by the employees and the actuarial calculation made.

SEN. STAPLETON advised he rarely believed denying information makes a better business practice for everyone. The claims are going to happen regardless of where they are covered. The bill is suggests by denying information to small business owners, there will be a better end process.

Mr. Turkiewicz answered information can be derived by going through the process. They have a trust philosophy.

SEN. STAPLETON asked what percentage of Montanans are able to be covered by associations.

Mr. Turkiewicz did not know the percentage. Every member of the Montana Auto Dealer's Association has the opportunity to participate.

SEN. STAPLETON thought the effect would be to drive the margin incrementally towards associations. By default the small business owners are at a disadvantage as the market is moved in this direction. He wondered if 20-40% of Montanans have access to associations.

Mr. Turkiewicz said he could not answer that question but they have 122 members and only 95 participate. He advised HB 104 would change the criteria definition for minimum threshold for creating association plans that are a large scale pool from 1000 to 50. That pool is getting larger.

SEN. STAPLETON asked him to repeat that.

Mr. Turkiewicz advised there is a statutory process to set up a pooled employer plan. Under existing law, he can only take members of the Auto Dealer's Association, bankers can only take Banker's Association members, the Medical Association can only take doctor groups, the Bar Association only takes attorneys, and it is the same with CPA's. A purchasing pool statute was created in the mid-90s. The statute would allow the creation of multi-employer disparate groups to be able to do so at a threshold of 1000 participants. HB 104 would drop the threshold to 50. There is an opportunity to expand the number of potential purchasing pools.

SEN. STAPLETON thought 90% of businesses in Montana have fewer than fifty people. The 18% un-insured is his concern. He thought it like the "box store" debate on the retail side. The small businesses will now have a lesser pool of healthy people and they will be denied the information to make good decisions.

Mr. Turkiewicz clarified the insurance companies will not be denied information. When the agent goes to a small employer to look at a six employee group, the employees and families will fill out a health statement. It is collected by the agent and then taken to the actuary who makes the decision. In their group, any member that wants to join, they say welcome. They don't get to say no. Any private carrier makes a business decision whether to accept an employee.

SEN. STAPLETON said he understood that, but there are fewer than 10 carriers now who write health insurance in this state and the list is dwindling. Denying information for purposes of it being good for them didn't make sense to him.

Mr. Turkiewicz said they have an opportunity to agree to disagree.

Closing by Sponsor:

REP. STEINBEISSER closed on the bill. There are 13,000 Montanans in trade association health plans with about \$30 million in premiums a year. He is a director of a small bank in Sydney and they had been part of the Montana Banker's Association health care plan since its inception and it works real well. Last year their premiums only increased 5% compared to 20% in other health care plans. The auditor's office wasn't against the bill and it went through the House with no opponents. The bill passed the House floor on a 90+ vote. He urged passage of the bill to keep health premiums low for members of associations.

ADJOURNMENT

Adjournment: 11:46 A.M.

SEN. TOM ZOOK, Chairman

PRUDENCE GILDROY, Secretary

TZ/PG

EXHIBIT (fcs50aad)